

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

USAGE NKP

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PAIS

CINCPAC

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT:SEPTEMBER 3 EA PRESS SUMMARY

INDOCHINA

1. SHIPLER (NYT) FROM SAIGON SEES STRATEGY SHIFTS FORCED
ON GVN BY US AID CUTS. TO SAVE FUEL AND AMMO, SOME
ISOLATED OUTPOSTS HAVE BEEN ABANDONED; "HARRASSMENT
AND INTERDICTION" ARTILLERY HAS VIRTUALLY ENDED; AND
SOME LARGE-UNIT OPERATIONS REPLACED BY SMALL, LONG-
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RANGE PATROLS. ARMY OFFICERS, FOREIGN MIL MEN AND
GVN CIVILIANS DIFFER ON SIGNIFICANCE OF CHANGES.
SOME THINK THAT WITHDRAWAL FROM OUTPOSTS WILL CEDE LAND
TO COMMUNISTS AND PERHAPS FACILITATE FUTURE EFFORT TO
DRAW MAP DELINEATING AREAS OF CONTROL AS PRESCRIBED BY

C-F BUT RESISTED BY BOTH SIDES; OTHERS ARGUE THAT OUTPOSTS ARE ONLY SYMBOLICALLY IMPORTANT AND SPREAD FORCES TOO THINLY. MIL MEN HAVE LONG DEBATED VALUE OF H AND I FIRE AND SOME REGARD IT AS WASTE OF AMMO AND THINK IT HURTS ;MOSTLY CIVILIANS, WHILE OTHERS BELIEVE UNPREDICTABLE SHELLING HARASSES ENEMY AND DAMAGES HIS MORALE. SHIPLER FINDS WIDESPREAD AGREEMENT THAT INCREASED LONG-RANGE PATROLS TARGETTED IN ENEMY TERRITORY WILL WORK TO BENEFIT OF ARVN, NORMALLY RESTRICTED TO DEFENSIVE POSTURE.

OUTPOST ABANDONMENT, MOST CONTROVERSIAL STRATEGY CHANGE, EMERGED SIX-TO-NINE MONTHS AGO AS OCCASIONAL "EXCEPTIONS" TO THIEU'S DIRECTIVE NOT TO GIVE AN INCH TO THE COMMUNISTS. EXCEPTIONS HAVE BECOME RULE AS COMMUNISTS STEP UP ATTACKS AND CONGRESS CUTS AID. INFORMED SOURCES SAY ABOUT 500 OF THE 3000 GVN OUTPOSTS IN DELTA WILL BE "CONSOLIDATED" TO CONSERVE AMMO AND FUEL. ELSEWHERE, ABANDONMENT IS RELATED TO ENEMY ATTACKS. WESTERN DIPLOMAT SAYS THAT IN QUANG NAM AND QUANG NGAI, COMMUNISTS ARE TAKING BACK WHAT THEY CONSIDER TO BE THEIRS. IN TAY NINH, WESTERN MIL OFFICER SEES NVA ATTACKS RELATED TO OPENING NEW LOGISTICAL CORRIDOR. SHIPLER COMMENTS THAT USEFULNESS OF SMALL OUTPOSTS HAS DECLINED AS RESULT OF DEVELOPMENT OF MODERN LOGISTICS NETWORK BY NVA FOLLOWING END OF US BOMBING; QUOTES FORMER USDAO GEN. MURRAY THAT HANOI MUST HAVE A "LOGISTICS GENIUS." FOREIGN MIL OFFICER NOTES THAT GVN ONCE USED TEN TIMES AS MUCH AMMO AS COMMUNISTS; NOW RATIO HAS SHRUNK TO TWO-TO-ONE AND COMMUNISTS "GET COST EFFECTIVENESS OUT OF EVERY ROUND." SHIPLER STATES THAT FEW BELIEVE STRATEGY CHANGES WILL BREAK MIL STALEMATE SUDDENLY; QUOTES SVN OFFICER THAT NEITHER SIDE HAS ENOUGH TROOPS TO OCCUPY THE WHOLE COUNTRY.

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2. FIELD REPORTS SAY GVN TROOPS FIND ENTIRE VILLAGE 18 MILES SW OF DA NANG ABANDONED, WITH 2000 INHABITANTS ABDUCTED BY COMMUNISTS (CHITRIB).

3. SUN'S ISAACS IN SVN'S DELTA WRITES OF CONTINUOUS, LOW-LEVEL, HIGH-CASUALTY WAR THAT HAS GONE ON THERE SINCE C-F. VC INFILTRATE VILLAGES, AND SURVIVAL BECOMES OVERRIDING CONCERN OF INHABITANTS IN CONTESTED AREAS. SOME FARMERS PAY VC TAXES, AND YOUTHS WHO BECOME ELIGIBLE FOR THE GVN DRAFT SOMETIMES CROSS INTO VC TERRITORY WHERE, AS FAR AS ANYONE KNOWS, THEY ARE NOT INDUCTED BUT ARE ALLOWED TO FARM. SOME DRAFT EVADERS TAKE FAMILIES WITH THEM. ISAACS SEES DELTA WAR AS HAVING DECEPTIVE SURFACE SINCE IT IS FOUGHT AT CLOSE RANGE IN

MANY SMALL CLASHES AND LEAVES FEWER SCARS THAN MORE CONVENTIONAL FIGHTING. VILLAGES ARE USUALLY PROSPEROUS WITH REGION'S RICH AGRICULTURAL ECONOMY; AND GVN TROOPS ARE DISPERSED TO DEFEND POPULATION. HALF OF GVN MILLION - MAN FORCE IS IN DELTA, SCATTERED IN VILLAGES, AND CONSTANT "PIN-PRICK BATTLES" ACCOUNT FOR OVER HALF OF GVN CASUALTIE ISAACS OBSERVES THAT WAR IS FOUGHT FOR POPULATION MORE THAN FOR LAND, AND IMPOSSIBLE TO TELL WHO IS WINNING SINCE THERE IS NO WAY OF DECIDING WHO CONTROLS "CONTESTED" VILLAGES. GVN HAS HAD TO GIVE UP SOME TERRITORY IN DELTA, WITH 200-300 OUTPOSTS "CONSOLIDATED" TO SAVE

FUEL AND AMMO, BUT DELTA DEPUTY COMMANDER SAYS ONLY UNPOPULATED LAND GIVEN UP. CASUALTIES RISE BECAUSE OF RESTRICTIONS ON AMMO AND SUPPLIES IMPOSED BY PROSPECTIVE US AID CUTS.

4. PP PRESS REPORTS THAT MIL TRIBUNAL SENTENCES TWO STUDENTS TO DEATH AND TEN TO LONG PRISON TERMS FOR COMPLICITY IN DEATHS OF EDUCATION MINISTER AND HIS AIDE DURING STUDENT DEMONSTRATIONS IN JUNE (UPI, NYT).

5. CHITRIB CARRIES KNIGHT NEWS ARTICLE ON MIAS "WHOSE FATES STILL BLOW IN THE WINDS" OF SEA. SAYS 994 UNACCOUNTED FOR, AND ABOUT ANOTHER 300 PRESUMED DEAD BY DOD "WITHOUT DECISIVE EVIDENCE" EXCEPT TIME SINCE UNCLASSIFIED

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LAST SEEN. US INVESTIGATORS WERE RECENTLY LED TO TWO BODIES BY SOUTH VIET CIVILIANS. ASSTDEFSEC SHIELDS SUPERVISES INVESTIGATION IN FACE OF NON-COOPERATION BY NVN AND PAIN OF MIA FAMILIES. NATIONAL LEAGUE OF FAMILIES OPPOSES "PRESUMPTIVE FINDINGS" OF DEATH. THERE HAVE BEEN CLAIMS THAT LEAGUE'S STAND IS BASED ON DESIRE TO CONTINUE RECEIVING BENEFITS ONLY IF SERVICEMEN ARE PRESUMED ALIVE. SIMILARLY, THERE HAVE BEEN SUGGESTIONS THAT DOD PRESUMPTIVE FINDINGS OF DEATH WERE PARTLY AIMED AT REDUCING BENEFITS TO DEPENDENTS.

CHINA

6. FROM PEKING, JOHN BURNS (WP) COVERS CODEL FULBRIGHT ARRIVAL, MET AT AIRPORT WITHOUT CEREMONY BY BRUCE AND CPIFA V-P CHOU. HUMPHREY ADDED OWN TOUCH OF INFORMALITY, DEPARTING FROM STILL PROTOCOL TO TAKE SNAPSHOTS. FULBRIGHT DECLINED SPEAK TO PRESS, SAYING HE WANTED FIRST TO GET INTO VISIT. BURNS COMMENTS THAT THIS BEING FIRST IMPORTANT US DEL SINCE TRANSFER OF PRESIDENTIAL POWER MAKES VISIT MORE THAN ROUTINE EXERCISE. CHINESE "DOUBTLESS" WILL PROBE TO

DETERMINE WHAT CHANGES MIGHT BE IN US ATTITUDE TOWARDS SUCH QUESTIONS AS TAIWAN, AND WILL WANT TO LEARN ABOUT ADMIN. STANCE ON OTHER FOREIGN POLICY MATTERS SUCH AS DETENTE WITH USSR.

IT IS PROBABLE, BUT NOT CERTAIN, THAT CODEL WILL MEET CHOU EN-LAI BEFORE DEPARTING FOR PROVINCES, BUT MOST

DISCUSSIONS LIKELY TO BE CONDUCTED BY CHIAO KUAN-HUA AND TENG HSIAO-PING.

7. AP TOKYO REPORTS NCNA BROADCAST OF STATE BANQUET SPEECH BY TOGO PRESIDENT EYADEMA REGRETTING CHOU'S ABSENCE, WISHING "A QUICK RECOVERY" (SUN).

8. NYT'S MALCOLM BROWNE IN BUCHAREST REPORTS RUMANIAN LEADERS' HOPES TO BRING USSR AND PRC CLOSER TOGETHER DURING POPULATION CONFERENCE APPARENTLY EVAPORATED AFTER UNCLASSIFIED

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INITIAL OPTIMISM. BROWNE NOTES THAT CAEUSESCU'S POSITION AS POSSIBLE AGENT OF RECONCILIATION WAS MARKEDLY WEAKENED LAST MONTH WHEN IN SPEECH TO LEGISLATURE HE HEAPED PRAISE ON AND CALLED FOR CLOSER TIES WITH USSR, BUT MADE NO SIMILAR REFERENCES TO CHINA.

9. IN FIRST DAY OF ASIAN GAMES, PRC, RETURNING FOR FIRST TIME SINCE 1952 OLYMPICS, WON TWO GOLD, ONE SILVER AND ONE BRONZE MEDAL. JAPAN WON SEVEN OF FIRST TWELVE GOLDS (WP, NYT).

10. CSM REPORTS NIH ACUPUNCTURE STUDY CHIEF DR. BONICA, IN AMA JOURNAL ARTICLE, CALLED FOR AMERICAN ANESTHESIOLOGIS TO BE SENT TO PRC FOR EXTENDED PERIODS OF STUDY. BONICA, AFTER 3 WEEK PRC VISIT, SAYS TECHNIQUE DOES NOT CURE ANYTHING BUT ANALGESIC ABILITY COULD BE IMPORTANT ADJUNCT TO MEDICINE.

11. UPI'S WILKINSON IN NAIROBI (GLOBE SEPT 2) DOES FEATURE ON CHINESE BUILDING 1100-MILE RAILROAD LINKING ZAMBIA'S COPPER BELT WITH INDIAN OCEAN. PROJECT REPRESENTS PRC'S MOST AMBITIOUS OVERSEAS UNDERTAKING, EXPECTED TO BE COMPLETED EARLY NEXT YEAR - AHEAD OF 1976 TARGET DATE. TO ENSURE SPEEDY CONSTRUCTION, CHINESE ENLISTED SOME 60,000 WORKERS AT TIMES. WESTERN DIPLOMATS WORRIED THAT PART OF WORK FORCE WAS INDEED AN ARMY - MEMBERS OF PLA - WHO WERE NOT ONLY BUILDING RAILROAD BUT FORGING MASSIVE CHINESE BRIDGEHEAD IN AFRICA. HOWEVER, TANZANIANS AND ZAMBIANS SHRUG OFF SUCH SUGGESTIONS- THEY ARE GRATEFUL TO COUNTRY WHICH

OFFERED TO FUND PROJECT AT TIME WHEN WESTERN INSTITUTIONS CALLED IT UNFEASIBLE AND REFUSED TO GRANT ANY LOANS. CITES NYERERE THAT "IT WAS IN THIS SITUATION THAT CHINA DEMONSTRATED ITS TRUE NATURE. IT UNDERTOOK TO BUILD THIS RAILWAY AND LEND US MONEY FOR IT."

12. WSJ'S HARTLEY IN TAIPEI REPORTS EXTENSIVELY ON GROC ATTEMPTS TO END INFLATION THROUGH SHOCK THERAPY OF UNCLASSIFIED

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PRICE HIKES, THUS FORCING PUBLIC TO CURB DEMAND AND SAVE. OBSERVES THAT THERAPY SEEMS TO BE WORKING, BUT NOTES FEAR OF SERIOUS BUSINESS SLOWDOWN.

KOREA

13. SEOUL'S MAYOR YANG TAEK-SHIK HAS BEEN DISMISSED IN WAKE OF ATTEMPT TO ASSASSINATE PARK. RETIRED COL. KOO JA-CHOON, GOVERNOR OF KYONG-SANG PUKTO PROVINCE, TO SUCCEED HIM (AP, CHITRIB).

JAPAN

14. ASAHI QUOTES JAPANESE FONMIN SOURCES THAT US AND JAPAN CLOSE TO AGREEMENT ON EMPEROR'S VISIT TO US. INVITATION MAY BE EXTENDED DURING FORD'S VISIT (UPI, NYDN).

15. CSM'S LACHICA SAYS TOKYO AUTHORITIES FEAR MITSUBISHI BOMBING MAY BE BEGINNING OF REGULAR PATTERN. BOMB TECHNOLOGY USED WAS SUPERIOR TO ANYTHING PREVIOUSLY EMPLOYED BY LOCAL CRIMINALS AND TERRORISTS.

16.. US TRADE WITH JAPAN BACK IN RED AND EXPECTED TO STAY THERE FOR NEXT FEW MONTHS. BUT AMEMBASSY OFFICIALS IN TOKYO DOUBT RETURN OF HUGE DEFICITS OF '71 AND '72. MOREOVER, DEFICIT WOULD BE PARTIALLY COMPENSATED FOR BY GROWING FLOW OF JAPANESE INVESTMENT CAPITAL INTO US (UPI, NYT).

17. OFFICIALS SAY HIGH SEAS TESTS OF NUCLEAR SHIP MUTSU SUSPENDED BECAUSE REACTOR SHOWED ABNORMALITY INDICATING LEAKAGE OF RADIO-ACTIVITY. MONITORS REGISTERED ABNORMALITY DURING INITIAL TEST RUN ABOUT 500 MILES OFF NORTHERN JAPAN (WP).

18. JAL TWICE WEEKLY SERVICE TO CHINA WILL BEGIN SEPT. 29. PRC'S CAAC WILL ALSO FLY SAME ROUTE TWICE WEEKLY (JOC).

19. TYPHOON POLLY HEADING TOWARD HOKKAIDO AFTER CAUSING FLOODING AND DEATHS ON SHIKOKU, SW HONSHU (CHITRIB);

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WSJ).

PHILIPPINES

20. ISLAMIC CONFERENCE SECRETARY GENERAL MOHAMMED HASSAN

TOHAMY OF EGYPT HAS ARRANGED PEACE TALKS BETWEEN GOP
AND LEADERS OF MOSLEM REBELS. ANNOUNCEMENT MADE
AFTER 11 DAY TOUR OF PHILIPPINES, MALAYSIA, AND
INDONESIA (WP; UPI, NYDN; WSJ).

MALAYSIA

21. FONMIN ANNOUNCED THAT MALAYSIA AND CHINA WILL ESTABLISH
DIPLOMATIC MISSIONS LATER THIS MONTH (REUTER, CHITRIB).

INDONESIA

22. CSM'S SOUTHERLAND CALLS PROBLEM OF OVERPOPULATION ON
JAVA DARK CLOUD HANGING OVER INDONESIA'S FUTURE. WITH
1/7 OF INDONESIA'S LAND AREA, JAVA HOLDS 80 PERCENT OF
POPULATION. NUMBER OF JAVANESE PEASANTS FORCED TO SELL
LAND STEADILY GROWING, JOINING MASS OF IMPOVERISHED
LABORERS IN COUNTRYSIDE OR DISCONTENDED UNEMPLOYED
IN CITIES. MANY ARE WORSE OFF THAN SIX YEARS AGO.

NEW ZEALAND

23. LABOR SECRETARY BRENNAN NAMED BY FORD TO HEAD US
DELEGATION TO MEMORIAL SERVICE FOR KIRK. DELEGATION
INCLUDES AMB. SELDEN AND SEN. HARTKE (AP, NYT).

24. KIRK'S DEATH HAS THREATENED NZLP UNITY AND ITS HOLD
ON GOVT POWER. WITH NO OBVIOUS SUCCESSOR, FINDING
ONE COULD RE-OPEN OLD DIVISIONS. DEP PM WATT SAID
THERE COULD BE AS MANY AS 50 NAMES PUT BEFORE PARTY
CAUCUS (CSM).

DIEGO GARCIA

25. CSM'S POND REPORTS THAT FORD'S PRESS CONFERENCE
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REMARK ON DIEGO GARCIA QUESTION THAT SOVIETS HAVE
3 INDIAN OCEAN BASES HAS BROUGHT DENIALS AND CRITICISM
FROM MOSCOW; FIRST CRITICISM OF A PRESIDENT BY NAME
SINCE BEGINNING OF DETENTE.

ADB

26. MANILA NYT REPORTS ADB IS ISSUING FOUR SIZABLE LOANS AND ONE TECH ASST GRANT TO HIGH PRIORITY PROJECTS IN REGION. BIGGEST LOAN GIVEN SO FAR BY BANK HELPS FUND EXPANSION OF WATER SUPPLY SYSTEM OF METROPOLITAN

MANILA. OTHERS FOR IMPROVEMENT OF ELECTRIC POWER FACILITY IN THAILAND'S RURAL AREAS, FOR RELENDING BY KOREA DEVELOPMENT FINANCE CORP TO PRIVATE ENTERPRISES IN MANUFACTURING, TRANSPORT, TOURISM AND COMMERCIALY-ORIENTED AGRIC, AND FOR EXPANSION OF FIBER PRODUCTION AND PROCESSING INDUSTRY TO MEET GROWING DEMAND FOR FIBER BAGS FOR AGRIC PRODUCTS IN INDONESIA. SVN RECEIVED TECH ASST GRANT OF UNSPECIFIED AMOUNT TO DEVELOP NATIONAL VOCATIONAL TRAINING CENTER THAT WOULD HELP FORMULATE STANDARDS FOR SKILLED MANPOWER IN ASIA.

COMMENT AND ANALYSIS

KOREA

27. WP'S OBERDORFER IN OSAKA DISCUSSES CASE OF ASSASSIN MUN SE KWANG. VIEWS MUN'S LIFE IN JAPAN AS REFLECTING THOSE OF MANY OF HIS COMPATRIOTS LIVING IN POCKETS OF POVERTY AS NEARLY FORGOTTEN, ALIENATED MINORITY - MOST HAVE NO HOPE OF BECOMING JAPANESE CITIZENS. MUN ALSO PRODUCT OF FACTIONAL POLITICS IN KOREAN COMMUNITY - SPLIT INTO PRO- AND ANTI-COMMUNISTS; SAYS THAT AS SERIOUS INTERNAL OPPOSITION WITHIN SK CHALLENGED RHEE AND PARK, FISSURES DEVELOPED AMONG ANTI-COMMUNIST KOREANS.

OBERDORFER REVIEWS MUN'S MOVES TO OBTAIN WEAPON FOR ASSASSINATION ATTEMPT AND DEPART JAPAN FOR KOREA UNDER JAPANESE PASSPORT. REPORTS THAT ROKG IS EAGER UNCLASSIFIED

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TO GET CONVINCING EVIDENCE OF MUN INVOLVEMENT IN COMMUNIST PLOT IN ATTEMPT TO SHORE UP ITS DIPLOMATIC FORTUNES IN UN AND ELSEWHERE, SINCE SEOUL'S INTERNATIONAL REPUTATION HAS BEEN SERIOUSLY DAMAGED BY RECENT WAVE OF REPRESSION. PARK SUMMONED JAPANESE AMBASSADOR, AND ROKG DELIVERED FORMAL NOTE TO DEMAND INTENSIFIED INVESTIGATIONS BY JAPANESE POLICE AND STRONG MEASURES TO CONTROL "SUBVERSIVE" (ANTI-PARK) ACTIVITIES AMONG KOREAN RESIDENTS IN JAPAN.

JAPANESE LEADERS RELUCTANT TO BECOME INVOLVED IN POLITICS OF ASSASSINATION CASE, PARTICULARLY IF THIS WILL BRING ON DOMESTIC CONFRONTATION WITH WELL-ORGANIZED NK-ORIENTED CHOSOREN, WITH WHICH MUN IS ALLEGED TO

HAVE BEEN IN CONTACT, OR ANY OTHER GROUP AMONG THE BITTER AND DIVIDED KOREAN MINORITY. IF GOJ ACCEDES TO ROKG DEMAND AND CURBS CHOSOREN OR ANTI-PARK ACTIVITIES, SERIOUS INTERNAL PROBLEMS WOULD SURELY RESULT. BUT IF JAPAN REFUSES TO COOPERATE WITH PARK OR COOPERATES

ONLY IN MINIMAL WAYS, TROUBLE BETWEEN THEM IS LIKELY TO INCREASE SHARPLY.

28. CSM SEES SOME HOPE THAT REPRESSION IN SK WILL LESSEN NOW THAT PARK TERMINATED TWO DECREES WHICH BANNED SLIGHTEST OPPOSITION TO HIS RULE. NOTES THAT LAST WEEK, THE HEAD OF MAJOR OPPOSITION PARTY CALLED FOR RESTORATION OF "A DEMOCRATIC SYSTEM," AND EXPRESSES HOPE THAT SUCH PLEAS ARE NOT ONLY PERMITTED BUT ARE SOON IMPLEMENTED.

29. IN LETTER TO WP EDITOR, SUGWON KANG, HARTWICK COLLEGE PROF, CITES BUCKLEY INTERVIEW WITH PARK (PUBLISHED IN MAY 24 NATIONAL REVIEW) AND OBERDORFER REPORT (AUG 18 WP) ABOUT AMERICAN PREACHER, WILLIAM BRIGHT, OF CAMPUS CRUSADE FOR CHRIST INTERNATIONAL ON EVANGELISTIC TOUR OF KOREA, AS OFFERING "COMIC RELIEF" IN OTHERWISE DEPRESSING SK POLITICAL SITUATION. NOTES THAT IN BUCKLEY INTERVIEW, "PARK COULD CALMLY REFLECT...THAT HE IS AN ADMIRER OF THE AMERICAN FOUNDING FATHERS, VOICING HIS OPINION THAT UNCLASSIFIED

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'DEMOCRACY IS THE SOLE PATH TO PEACE AND HAPPINESS' AND THAT 'WE MUST PRESERVE IT AT ALL COSTS.'" KANG QUOTES BRIGHT AS BELIEVING THAT PARK WAS JUSTIFIED IN THROWING CHRISTIAN DISSIDENTS IN JAIL ON GROUNDS THAT THEIR ANTI-GOVT ACTIVITIES WOULD CAUSE NK REGIME TO "POUNCE ON THE REPUBLIC." SAYS IF BRIGHT IS TRYING TO AMUSE ANYONE, HE HAS GONE TO THE RIGHT PLACE FOR HE IS SURE TO FIND AN APPRECIATIVE AUDIENCE IN PARK.

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30. WP'S MCCOMBS IN DANANG REPORTS MANY REFUGEES EAGER TO RETURN TO OLD HOMES EVEN THOUGH IT MAY MEAN LIVING UNDER COMMUNIST CONTROL BUT SOME ARE FORCIBLY PREVENTED FROM DOING SO BY POLICE MEASURES AND REPRISALS BY GOVT SOLDIERS. DESIRE TO RETURN HOME ON PART OF QUANGNGAI REFUGEES ATTRIBUTED TO END OF US AND GVN ASSISTANCE. REFUGEES SUPPORT THEMSELVES BY BUYING TEA FROM MOUNTAIN TRIBESMEN AND SELLING IN CITY MARKETS; CURRENT FIGHTING HAS MADE THIS IMPOSSIBLE. NOTES THERE ARE ALSO MANY WHO WOULD RATHER REMAIN ON GOVT SIDE THAN COME UNDER COMMUNIST CONTROL, BUT NUMBER IMPOSSIBLE TO DETERMINE.

31. FROM PHUHUONG, MCCOMBS (GLOBE) REPORTS THAT WAR SCRAP EARNED 2.1 MILLION DOLLARS IN FOREX FOR GVN DURING FIRST FIVE MONTHS OF 1974. THERE ARE NOW 150 LARGE BUSINESSES IN SAIGON LEGALLY EXPORTING

WAR SCRAP THAT THEY BUY FROM THE GOVT, MOSTLY TO JAPAN, KOREA AND SINGAPORE. BUT THERE IS ALSO A VAST BLACK-MARKET IN WAR SCRAP, AND CONTROL IS ENORMOUS PROBLEM FOR GVN. LAST MONTH, FOR EXAMPLE, PM'S OFFICE REPORTED SMUGGLING RING'S ATTEMPT TO EXPORT 15,000 TONS OF COPPER WITH FORGED PERMIT. ALSO, RECENTLY, REP. ASPIN CHARGED THAT VIETS WERE TEARING DOWN NEW AIRPLANES GIVEN THEM BY US AND SELLING THEM ON BLACK MARKET FOR SCRAP. HOWEVER, INVESTIGATIONS BY AMEMB SAIGON AND BY NEWSMEN SHOWED THAT ASPIN CHARGE WAS ERRONEOUS. MCCOMBS CITES NEW RULES FOR WAR SCRAP TRANSACTIONS PUT OUT BY PM'S OFFICE.
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32. GLOBE'S JHABVALA (SEPT 2) REPORTS SHARPLY STEPPED-UP N VIET ATTACKS ON SVN AND DECREASING WILLINGNESS OF CONGRESS TO AID SVN CAUSING SERIOUS CONCERN AMONG SEA EXPERTS IN DOS AND DOD. CITES US INTELLIGENCE EXPERTS AS DISAGREEING AS TO WHEN HANOI MIGHT LAUNCH LARGE-SCALE INVASION, BUT AGREEING THAT IF AND WHEN OFFENSIVE COMES, #GVN WILL BE UNABLE TO REPEL IT OR EVEN SURVIVE. EXPERTS SAY SVN'S MILITARY SITUATION IS GRIM BECAUSE OF PAST AID CUTS AND RESULTING EFFECT ON WEAPONS SUPPLIES. ARVN DEATH RATE APPROACHING THAT OF 1972 NVN OFFENSIVE AFTER DROP IN JAN-OCT 1973 RATE. SVN'S CAPACITY TO RESPOND TO CURRENT MAJOR NVN PROBES SEVERELY HAMPERED BY AMMO SHORTAGES AND HIGH COST OF WAR MATERIAL, INCLUDING GASOLINE.

CITES OFFICIAL WITNESS TO SEVERAL SKIRMISHES BEING APPALLED BY RELUCTANCE OF UNIT AND DIVISION COMMANDERS TO EXPEND AMMO, WITH RESULTING DECLINE IN SOLDIER MORALE; "THE DECISION OFTEN IS TO USE BLOOD INSTEAD OF BULLETS AND BOMBS."

CITES OFFICIALS THAT SINCE C-F, HANOI HAS INCREASED ITS FORCES IN SVN WHICH EQUIPPED WITH IMPRESSIVE ARRAY OF SOVIET-MADE WEAPONS, INCLUDING HAND-CARRIED STRELA MISSILES AND 85 MM. MORTARS; THEY USE AMMO FREELY. ROUGH GUESS IS THAT NVN IS RECEIVING THREE TIMES AS MUCH IN WEAPONS FROM USSR AND PRC AS IT DID IN 1973; NVN ALSO PROVIDED WITH 1.2 BILLION DOLLARS IN ECON AID. US OFFICIALS UNCERTAIN WHY HANOI NOW ON THE OFFENSIVE. THEY BELIEVE THAT ITS STRATEGY IS TO KEEP UP YEAR-ROUND PRESSURE - NOT AS STRONG AS IN 1972, BECAUSE OF POLITICAL RISKS INVOLVED, BUT STRONG

ENOUGH TO CAUSE SEVERE WEAR AND TEAR ON SVN TROOPS AND EQUIPMENT. SOME OFFICIALS CLAIM THAT HANOI STEPPED UP PROBES BECAUSE OF ITS ASSESSMENT THAT CONGRESS WILL NOT HELP SAIGON WITH MORE MIL AID.

#NOTE - AT THIS POINT, EDITORS DELETED "PROBABLY NEXT SPRING."

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DIEGO GARCIA

33. CHITRIB EDITORIAL POINTS OUT THAT SOVIETS USE AT LEAST THREE INDIAN OCEAN PORTS FOR VARIOUS PURPOSES, BUT TASS "CHASTISED" PRES. FORD FOR CALLING THEM BASES. USSR USES "FACILITIES" IN IRAQ, S. YEMEN AND SOMALIA; DENIES THAT THEY ARE NAVAL BASES. CHITRIB SEES PARALLEL TO THE 160,000 TROOPS THAT NVN INSISTS AREN'T IN SVN, OR REVOLUTIONS AGAINST "IMPERIALISM" THAT RED CHINA INSISTS AREN'T REALLY WARS. CHITRIB SUGGESTS THAT PRES. PLAY BY SAME RULES AND SAY THAT ALL WE WANT ON DIEGO GARCIA IS "HOSPITALITY HAVEN" OR "COEXISTENCE MONITORING FACILITY."

34. WARREN UNNA IN WP SEES SOMETHING GONE WRONG IN ADMIN' PLAN FOR DIEGO GARCIA. SAYS COLBY'S TESTIMONY DRAMATIZED UNSUITABILITY AND INADEQUACY OF BASES IN INDIAN OCEAN AVAILABLE TO USSR, IN CONTRAST TO ADMIN TESTIMONY THAT MENTIONED "FLEET ANCHORAGES" AND OTHER EXTENSIVE FACILITIES. SINGAPORE WAS MENTIONED AS PLACE WHERE SOVIETS HAVE BUNKERING RIGHTS, BUT COLBY SAID SINGAPORE "SELLS TO WHOEVER HAPPENS TO GO BY." UNNA QUOTES COLBY AGREEMENT WITH SYMINGTON THAT SOVIET PRESENCE IN INDIAN OCEAN WILL GROW "REGARDLESS OF WHAT WE DO", AND WILL GROW FASTER IF WE START DEVELOPING DIEGO GARCIA.

WPC

35. IN SUMMARY ARTICLE ON WORLD POPULATINON CONFERENCE, NYT'S GLADWIN HILL QUOTES DELEGATES' OPTIMISTIC APPRAISAL OF ACHIEVEMENTS. POINTS OUT THAT CHINA LED "ANTI-MALTHUSIAN" BLOC THAT CHALLENGED NOTION THAT BIG GLOBAL POPULATION IS UNDESIRABLE, AND SAID THAT FULLER EXPLOITATION OS RESOURCES WOULD COMFORTABLY SUPPORT TEN TIMES PRESENT POPULATION. HILL SAW DEBATE DIVIDED BROADLY INTO THREE FAMILIAR UN BLOCS: ADVANCED WESTERN NATIONS EMPHASIZED POPULATION CURBS; COMMUNISTS HARPED ON POLITICAL CHANGE AND REDISTRIBUTION OF RESOURCES; AND UNDERDEVELOPED NATIONS STRESSED ECON ASSISTANCE. JAPANESE DELEGATION HEAD SAID THAT HE

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WAS DISAPPOINTED THAT AMENDMENTS TO CONFERENCE DECLARATION HAD ELIMINATED LANGUAGE REFLECTING ACUTE AWARENESS OF CRITICAL SITUATION, BUT STATED THAT CONFERENCE WAS GREAT STEP FORWARD IN AWAKENING AWARENESS

OF SERIOUSNESS OF POPULATION PROBLEMS. KISSINGER

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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: jordanll
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUN 2005
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUL 2002 by maustmc>; APPROVED <28 JAN 2003 by cunninfx>; WITHDRAWN <13 Jun 2005 by BoyleJA, PRIVACY>; RELEASED <16 JUN 2005 by moorthsk>; APPROVED <16 JUN 2005 by jordanll>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SEPTEMBER 3 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: SAIGON INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
TREASURY
USSAGE NKP
BIEN HOA
CAN THO
DANANG

HONG KONG
NHA TRANG
JEC PAIS
CINCPAC
COGARD
XMT SUVA
RANGOON

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005